

Town of Los Altos Hills City Council Special Meeting

Thursday, May 6, 2004, **5:00 P.M.**
Council Chambers, 26379 Fremont Road

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Mayor Cheng called the Special Meeting of the City Council to order at 5:05 p.m. in the Council Chambers at Town Hall.

Present: Mayor Emily Cheng, Mayor Pro Tem Mike O'Malley, Councilmember Bob Fenwick, Councilmember Breene Kerr and Councilmember Dean Warshawsky

Absent: None

Staff: City Manager Maureen Cassingham, City Attorney Steve Mattas, Acting City Engineer/Director of Public Works Dave Ross, Administrative Services Director Sarah Joiner and City Clerk Karen Jost

2. STUDY SESSION WITH THE UNDERGROUNDING SUBCOMMITTEE

2.1 GODBE RESEARCH FINDINGS AND REPORT

2.2 R.W. BECK FINAL REPORT

For discussion purposes Items 2.1 and 2.2 were considered simultaneously.

Councilmember Warshawsky, Council liaison to the Undergrounding Subcommittee, thanked the members for their dedication and many hours of effort and expertise they had volunteered for this project. Committee members include: Jim Abraham, Andrew Colman, Ed Esber, Peter Evans, Tony Jurvetson, Bill and Lee Perry, Duffy Price, Steve Schmidt, Mike Shoendorf and Roy Woolsey.

Councilmember Warshawsky reported that at this stage of their investigation of the undergrounding of utilities in Los Altos Hills, the Subcommittee is making the following recommendation to the City Council: the Town match dollar for dollar the 20A funds plus the amounts Comcast and SBC will contribute, approximately \$900,000, to underground a major thoroughfare in Town as a pilot project. Warshawsky explained that the Subcommittee had determined there was not enough support from residents for a town-wide project. He noted that pilot projects have lead to successful programs in other communities and this would enable the Town to demonstrate that the undergrounding of utilities could be achieved. It is a positive way to start the program. Town residents would be included in the decision-making process and selection of the pilot project location. Councilmember Warshawsky introduced Subcommittee member Andrew

Colman to Council. He presented a power point presentation of the R. W. Beck engineering report and findings. The Beck report concluded that the costs for undergrounding all the Town's utilities would be approximately \$52 million at an estimated cost of \$150/foot or \$17,500 per household (parcel). This would include burying all 64 miles of overhead utilities (power and telecom); providing a new and properly-sized system with connections to individual homes and an open conduit for future use. The Subcommittee determined that a town-wide staged process is much more cost effective than a "piecemeal approach" with projected costs at \$300-\$500/foot.

Subcommittee member Steve Schmidt reviewed the financing findings and options of the project with Council. He explained that the Town has a challenging bi-polar household income demographic. Approximately 40% of the Town's residents have an annual average income of \$75,000 or less. These are predominately long-term residents who are served by overhead utility drops and are largely opposed to the undergrounding of utilities. 20% of the community falls in the middle with average incomes of \$150,000 per household. The remaining 40% of residents are in the high-income bracket with an average annual income of \$400,000 or more. This group is comprised of relatively newer residents to the Town who are being served by underground drops and they are, for the most part, in favor of undergrounding Town-wide. Schmidt reviewed assessed property values and property taxes of all three scenarios. The Subcommittee after reviewing this information, realized it was important to select a financing tool that would be acceptable to the highest number of residents. After considering several financing options, they determined that the general assessment method of financing would be the most appropriate. Even though this approach would require a two-thirds majority vote, it would distribute the cost of the project to residents in proportion to their property taxes.

Andrew Colman presented the Godbe Research telephone survey results to Council. Their report identified that 49% of respondents were opposed to a town-wide undergrounding project and 44% support the project.

Brian Godbe, Godbe Research explained the format they had used to conduct the telephone survey. They employed a stratified voter sample that represented the demographics of the Town. Within each identified group (segment of the community), efforts were made to complete interviews from the appropriate pool of residents. Approximately 2500 calls were placed, with 1200-1500 calls completed and 250 interview surveys conducted and completed.

Councilmember Warshawsky summarized the Subcommittee's report and recommendations for Council noting that they believe there will be consequences of inaction: continued electrical reliability issues, continued fire hazard due to downed wires, no progress on a significant town-wide issue and available Rule 20A funds for the Town will sit idle. Warshawsky explained that significant support exists in Town for undergrounding. The Subcommittee had thoroughly investigated the issue, hired outside consultants to do feasibility studies and cost projections and conducted a scientific poll to evaluate the community's interest. He reiterated the Subcommittee's findings that a town-wide project would be the most cost effective approach to undergrounding of the Town's utility wires. However, since the Town as a whole isn't supportive of such a large project at this time, he encouraged Council to support the Subcommittee's

recommendation for a “pilot project” matching 20A funds and launch an education campaign that is appropriately crafted to explain the project and its value to the demographic of residents opposed to undergrounding.

Councilmember Fenwick commended Councilmember Warshawsky and the Subcommittee for their efforts on this project. He explained that the Town’s residents’ opinion on the subject have been consistent over the past five years. He concurred with the Subcommittee’s recommendation that a “pilot project” be undertaken. Fenwick suggested that a visible street should be considered for the location of the project, possibly Fremont Road or El Monte Road.

Mayor Pro Tem O’Malley thanked the Subcommittee and expressed his appreciation for the work they had done. He would like to see the City Council move forward with undergrounding and recommended that a street (stretch of road) that is a hub for power that serves large numbers of homes and has experienced power outages be selected for a “pilot project.”

Councilmember Kerr suggested that the poles in front of Town Hall be considered as the pilot area. He suggested that safety issues for bicyclists and pedestrians be incorporated into the criteria for determining the pilot street area. Undergrounding of utility poles would permit expansion of pathways and make safety improvements and perhaps use pathway and VTA funds.

Mayor Cheng thanked the Subcommittee for their very informative presentation and report.

OPENED PUBLIC COMMENT

Donald McCauley, Ravensbury Avenue, addressed Council. He believed the estimates from R.W.Beck were too low and the undergrounding of utilities would be more costly. McCauley noted that it was his opinion that there were many outstanding issues and questions that were not answered or examined in the report.

Jim Abraham, Undergrounding Subcommittee, explained that they have listened to Mr. McCauley’s concerns but feel confident that the estimates from Beck are accurate.

CLOSED PUBLIC COMMENT

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed by the following roll call vote to direct the Utility Undergrounding Subcommittee to move forward with a pilot project applying the available 20A funds to underground an area of Town that addresses safety and/or power outages. Further, to direct the Committee to investigate scenarios for applying Town money via matching funds to this effort and to present the findings to the City Council at a later date.

AYES: Mayor Cheng, Mayor Pro Tem O’Malley, Councilmember Fenwick,
Councilmember Kerr and Councilmember Warshawsky

NOES: None

ABSENT: None
ABSTAIN: None

3. PRESENTATIONS FROM THE FLOOR

4. ADJOURNMENT

There being no further business, the Special City Council Meeting of May 6, 2004 was adjourned at 5:55 pm.

Respectfully submitted,

Karen Jost
City Clerk

The minutes of the May 6, 2004 Special City Council Meeting were approved at the June 2, 2004 Special City Council Meeting.